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SIPDIS

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TAGS: PREL EAGR LH

SUBJECT: LITHUANIAN LEADERSHIP ON EU CRISES

Classified By: Political/Economic Officer Alexander Titolo for reasons 1.4 (b) and (d)  $\,$ 

- 11. (C) SUMMARY: President Valdas Adamkus and Foreign Minister Antanas Valionis, who both witnessed the collapse of the EU summit last week, discussed recent events in the EU separately with the Ambassador on the margins of June 20 meetings on Iraq. Adamkus offered an insight into his dealing with French President Jacques Chirac at the June 17 EU's budget meeting in Brussels. Valionis said that there are multiple crises facing the EU, with more difficultly looming ahead. He also expressed concern about the membership aspirations of nations on the EU's border, which the GOL has enthusiastically supported. END SUMMARY.
- 12. (C) Adamkus relayed to the Ambassador a brief exchange he had with the French President at last week's budget meeting. In response to Chirac's comment that "We (the EU) have problems," Adamkus replied, "Yes, and France could do more to solve them." Valionis attributed the collapse of the EU Summit in Brussels to a "crisis of leaders," pointing particularly to Chirac and German Chancellor Gerhard Schroeder, whom he described as "weak." On the other hand, UK Prime Minister Tony Blair was "strong after his recent election victory." Valionis remarked that the one party to benefit from the EU's recent difficulties is Russia, which "feels strengthened." Valionis predicted that in addition to the French and Dutch "no" votes and the EU's failure to agree to a budget, a "third crisis" looming in the EU's near-future is debate over reform of the Common Agriculture Policy.
- 13. (C) The Ambassador commended Valionis for the constructive role Lithuania played in trying to reach budget deal. Valionis explained that the offer the GOL made along with other new EU members to forgo some of the future aid it expected to receive was an effort to help reach agreement now, rather than later. He said that Lithuania stands to lose funds by the delay.
- 14. (C) Valionis said that the GOL is concerned that a repercussion of the EU's recent setbacks could be the halting of the enlargement process. He cited the membership aspirations of Ukraine, Moldova and Turkey as particularly imperiled. He highlighted the danger to NATO's cohesiveness if Turkey is shut out of the EU.
- 15. (C) COMMENT: Lithuania has a lot at stake in the resolution of the EU's current dilemmas. The GOL is keen to protect as much of the structural funds it expects to receive in the EU's next budget as possible. Both President Adamkus and the Brazuaskas government have also invested much political capital it promoting the membership goals of the nations on the EU's border, which they see as a key to their overarching foreign policy goal of promoting democratic, pro-Western regimes in the region. The EU's current difficulties have thus cast GOL leaders into the role of compromise-seekers.